



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

April 2, 2008

Terry Fletcher
Rio Algom Mining Company LLC
P. O. Box 218
Grants, New Mexico 87020

Subject: Request for Partial Release of Reclamation Surety, Rio Algom Mining, Lisbon Mine, M0370001, Task 2235, San Juan County, Utah

Dear Mr. or Ms. Fletcher:

On January 30, 2008, the Division received your annual report wherein you request that the Division terminate or reduce your reclamation bond to an appropriate level to cover costs associated with revegetation monitoring.

The escrow fund associated with the Lisbon Mine is part of a Mined Land Reclamation Agreement with the Utah Board of Oil, Gas and Mining (the Board). The Division is unable to release any portion of this fund without direction from the Board, and it is necessary for you to make this release request of the Board in a request for agency action. This was detailed in a letter to Peter Luthiger dated February 8, 2007, and a copy of the letter to Mr. Luthiger is enclosed.

The Division is willing to support your request to reduce the surety to that needed to reestablish vegetation.

If you need further information, please contact me at 801-538-5258 or Paul Baker at 801-538-5261. Thank you for your cooperation

Sincerely,

Susan M. White
Mining Program Coordinator
Minerals Regulatory Program

SMW:PBB:pb

Enclosure: February 8, 2007, letter to Peter Luthiger

cc: Steve Alder, Atty General

Mary Ann Wright, Associate Director of Mining

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February 8, 2007

Mr. Peter Luthiger
Rio Algom Mining LLC
P. O. Box 218
Grants, New Mexico 87020

Subject: Request to File Board Agency Action, Rio Algom Mining, Lisbon Mine, M0370001, Task 1578, San Juan County, Utah

Dear Mr. Luthiger:

In October 2006, the Division received a completed form MR-SITE Bond/Release accompanied by Attachment One requesting the site and bond release of the Lisbon Mine Site. Since the escrow fund associated with the Lisbon Mine is part of the Mined Land Reclamation Agreement between the Utah Board of Oil, Gas and Mining (BOGM), then a Request for Agency Action must be filed with BOGM. The enclosed "State of Utah R641 Board Procedural Rules" (BPR) outlines the procedure required for this action. As an overview, this letter contains basic information to assist you in this action initiation as outlined below:

- Per R641-102-200 'Attorneys' of the BPR, Rio Algom must have representation by an attorney;
- Per R641-104-100 'Pleadings Enumerated', outlines the specific requirements for a Request for Agency Action;
- Per R641-104-200 'Form', identifies the form and format for the filing;
- Per R641-105-100 'Requests for Agency Action (Petitions)', provides filing dates for the Request for Agency Action, motions, affidavits, briefs, or memoranda;
- Per R641-105-200 through R641-105-800, provides information regarding deadlines relating to *Responses, Motions, and Exhibits*. Place of filing is provided in addition to *Rulings and Computation of Time* allowed by the rules.

The document, "State of Utah, Board of Oil, Gas and Mining, Hearing Schedule for Year 2007" is enclosed to identify the Requests for Agency Action deadline dates for each month in 2007. The associated hearing date is included in the respective row. You may also find this information available on <http://www.ogm.utah.gov/division/Board/BRDSCH07.HTM>.

Peter Luthiger
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February 8, 2007

According to the Mined Land Reclamation Agreement, once mining operations have ceased, the operator is entitled to withdraw or transfer monies from the Escrow Fund for all work completed in compliance with the Reclamation Plan, the Act and associated rules with approval by the BOGM. Under the terms of the contract, the BOGM provides notice of termination of the escrow agreement.

Rio Algom should be prepared to demonstrate to the BOGM that all reclamation responsibilities have been accomplished as required by the reclamation plan and the R647 mining rules. The Division is prepared, if asked by the BOGM, to support the release of site reclamation except for the request for a variance from the vegetation requirement. Vegetation has not established on site. The site was seeded in 2006 and has not been through a growing season or the three-year time requirement.

If you require additional information about the Request for Agency Action procedure, please contact Ms. Beth Ericksen, 801-538-5318 or myself at 801-538-5258.

Sincerely,



Susan M. White
Mining Program Coordinator
Minerals Regulatory Program

SMW:BE:pb

Enclosure: State of Utah, Board of Oil, Gas, and Mining, Hearing Schedule for Year 2007, R-641 State of Utah Board Procedural Rules

cc: Beth Ericksen, DOGM
Paul Baker, DOGM
Steve Alder, Atty General
Mike Johnson, DOGM
Mary Ann Wright, DOGM
Julie Carter, DOGM

Terry Fletcher, Rio Algom Mining LLC, Box 218, Grants, New Mexico 87020-0218 (w/enc)
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